(b) whether his Ministry has sent several representations to Finance Ministry to bail them out of the payment crisis; and

(c) if so, what are the steps Government proposed to take to meet the fertilizer crisis to avoid shortage of pulses and other crops in the country?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) Urea is the only fertilizer, movement and distribution of which at present is under partial control of the Government of India (GOI). Availability of urea at state level is ensured by the GOI and all other fertilizers *viz.* DAP & MOP etc. are decontrolled ones and availability of these fertilizers are decided by the market forces of demand and supply.

The availability of urea, DAP and MOP during current Kharif 2007 season upto 31st July, 2007 in Punjab, Haryana and Madhya Pradesh have been higher than the sales as under:

(LMT)

State	UREA		DAP		MOP	
	Availability	Sales	Availability	Sales	Availability	Sales
Punjab	9.81	9.11	1.61	1.30	0.29	0.19
Haryana	6.49	5.71	1.39	1.13	0.12	0.08
Madhya Pradesh	3.98	2.94	2.05	1.71	0.34	0.20

(b) and (c) The Department of Fertilisers is in constant touch with Ministry of Finance to ensure adequate availability of funds to make payment of subsidy. Presently, there is no shortage of funds for this purpose.

Shortage of gas

2039. SHRI AMAR SINGH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether his Ministry had worked out the shortage of gas at present for fertilizer companies and if so, the details thereof;

(b) in what manner, Government would meet the shortage of gas; and

(c) how much gas would be available for consumption by fertilizer companies based on RIL's KG basin;

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) A total of 41.282 MMSCMD of gas requirement is projected for the year 2007-08 and the present availability is only 29.01 MMSCMD.

(b) The Government of India has initiated various steps to augment gas supplies for the domestic market *viz.* intensification of domestic Exploration and Pipeline (E&P) activities, exploitation of Coal Bed Methane (CBM) gas,

implementation of Natural Gas Hydrate Programme (NGHP) for evaluation of hydrate resources and their possible commercial exploitation, LNG Import and gas sourcing through transnational gas pipelines.

(c) Directorate General of Hydrocarbons has certified production of natural gas for RIL's KG D-6 field to be 40 MMSCMD in 2008-09, 60 MMSCMD in 2009-10 and 2010-11 and 80 MMSCMD from 2011-12 to 2016-17, tapering thereafter.

Fertilizer subsidy and soil chemistry

2040. SHRI EKANATH K. THAKUR: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the Government plan to restructure the existing fertilizer subsidy regime as the soil chemistry in several regions has been affected by over use of certain fertilizers;

(b) whether it is a fact that as part of this restructuring, the existing product based subsidy regime will be replaced by a nutrient based subsidy regime to promote balanced use of fertilizers across the country; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (c) A Group of Ministers (GOM) has been constituted to look into the issues related to sustainable use of fertilizers, pertinent subsidies and pricing issues. The issues relating to deteriorating of the soil health, existing subsidy regime and nutrient based subsidy, have also been placed before the GOM.

Crisis in the FACT

2041. DR. M.A.M. RAMASWAMY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Fertilizers and Chemicals Travancore Limited (FACT) is facing problems due to recent price increase of sulphur and rock phosphate and is on the verge of closure; and

(b) if so, the steps proposed to be taken to save the FACT from impending closure?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) Yes, Sir. Recently, it was reported by the management of FACT, that the Caprolactam-Ammonium Sulphate plant has been temporarily closed down due to abnormal increase in the price of raw materials in the international market. However, the complex fertilizer (NPK) plant of FACT is still operational.

(b) The Department of Fertilizers is exploring the possibilities of devising a special financial dispensation package for FACT so that it can sustain the impact of increase in price of raw materials and the feedstock.